Macro-financial assistance to Moldova

2006/0184(CNS) - 16/04/2007 - Final act

PURPOSE: to provide Moldova with a macro-financial assistance in the form of a grant of up to EUR 45 million.

LEGISLATIVE ACT: Council Decision 2007/259/EC providing Community macro-financial assistance to Moldova.

CONTENT: the Council adopted a Decision to provide Moldova with macro-financial assistance of up to EUR 45 million with a view to supporting its balance of payments and alleviating the financial constraints on the implementation of the government's economic programme.

The authorities of Moldova are committed to economic stabilisation and structural reforms, supported by the International Monetary Fund through a three-year arrangement. EU-Moldova relations are developing within the framework of the European Neighbourhood Policy, which is expected to lead to deeper economic integration.

The proposed macro-financial assistance will be exceptional and limited in time, will complement support from the Bretton Woods Institutions, bilateral donors and the Paris Club, and will be conditional, in particular, on progress in the implementation of the IMF-supported Poverty Reduction and Growth Facility arrangement.

The Community macro-financial assistance shall be made available for two years starting from the first day after the entry into force of this Decision. However, if circumstances so require, the Commission, after consulting the Economic and Financial Committee, may decide to extend the availability period by a maximum of one year.

The Macro-financial assistance shall be made available by the Commission to Moldova in three instalments. The first instalment shall be released on the basis of satisfactory implementation of the economic programme supported by the IMF under the Poverty Reduction and Growth Facility and of the EU-Moldova European Neighbourhood Policy Action Plan. The second and third instalments shall also be released on the basis of satisfactory implementation of the economic programme supported by the IMF under the Poverty Reduction and Growth Facility and of the EU-Moldova European Neighbourhood Policy Action Plan and not less than three months after the release of the previous instalment.

The Commission is hereby empowered to agree with the authorities of Moldova the economic policy and financial conditions attached to the macro-financial assistance, to be laid down in a Memorandum of Understanding and a Grant Agreement. This Agreement and MoU shall provide for appropriate measures by Moldova related to the prevention of, and the fight against, fraud, corruption and other irregularities affecting the assistance. They shall also provide for controls by the Commission, including the European Anti-Fraud Office, with the right to perform on-the-spot checks and inspections, and for audits by the Court of Auditors, where appropriate, to be carried out on the spot.

By 31 August of each year the Commission shall submit to the European Parliament and to the Council a report, including an evaluation of the implementation of this Decision in the preceding year. The report shall indicate the connection between the policy conditions, Moldova’s ongoing economic and fiscal performance, and the Commission’s decision to release the instalments of the assistance.

ENTRY INTO FORCE: 28/04/2007.